

Adopted	Rejected
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## COMMITTEE REPORT

YES:	16
NO:	9

### MR. SPEAKER:

*Your Committee on Ways and Means, to which was referred Senate Bill 47, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill **be amended** as follows:*

- 1       Page 3, after line 38, begin a new paragraph and insert:
- 2       "SECTION 2. IC 4-33-13-5, AS AMENDED BY P.L.224-2003,
- 3       SECTION 47, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 4       UPON PASSAGE]: Sec. 5. (a) This subsection does not apply to tax
- 5       revenue remitted by an operating agent operating a riverboat in a historic
- 6       hotel district. After funds are appropriated under section 4 of this
- 7       chapter, each month the treasurer of state shall distribute the tax
- 8       revenue deposited in the state gaming fund under this chapter to the
- 9       following:
- 10       (1) The first thirty-three million dollars (\$33,000,000) of tax
- 11       revenues collected under this chapter shall be set aside for revenue
- 12       sharing under subsection (e).
- 13       (2) Subject to subsection (c), twenty-five percent (25%) of the
- 14       remaining tax revenue remitted by each licensed owner shall be

1 paid:

2 (A) to the city that is designated as the home dock of the  
3 riverboat from which the tax revenue was collected, in the case  
4 of:

5 (i) a city described in IC 4-33-12-6(b)(1)(A); or

6 (ii) a city located in a county having a population of more  
7 than four hundred thousand (400,000) but less than seven  
8 hundred thousand (700,000); or

9 (B) to the county that is designated as the home dock of the  
10 riverboat from which the tax revenue was collected, in the case  
11 of a riverboat whose home dock is not in a city described in  
12 clause (A).

13 **(3) After making the distributions under subdivisions (1) and**  
14 **(2), seventeen million dollars (\$17,000,000) of tax revenues**  
15 **collected under this chapter shall be transferred to the early**  
16 **learning fund.**

17 **(4)** Subject to subsection (d), the remainder of the tax revenue  
18 remitted by each licensed owner shall be paid to the property tax  
19 replacement fund. In each state fiscal year beginning after June  
20 30, 2003, the treasurer of state shall make the transfer required by  
21 this subdivision not later than the last business day of the month  
22 in which the tax revenue is remitted to the state for deposit in the  
23 state gaming fund. However, if tax revenue is received by the state  
24 on the last business day in a month, the treasurer of state may  
25 transfer the tax revenue to the property tax replacement fund in  
26 the immediately following month.

27 (b) This subsection applies only to tax revenue remitted by an  
28 operating agent operating a riverboat in a historic hotel district. After  
29 funds are appropriated under section 4 of this chapter, each month the  
30 treasurer of state shall distribute the tax revenue deposited in the state  
31 gaming fund under this chapter as follows:

32 (1) Thirty-seven and one half percent (37.5%) shall be paid to the  
33 property tax replacement fund established under IC 6-1.1-21.

34 (2) Thirty-seven and one-half percent (37.5%) shall be paid to the  
35 West Baden Springs historic hotel preservation and maintenance  
36 fund established by IC 36-7-11.5-11(b). However, at any time the  
37 balance in that fund exceeds twenty million dollars (\$20,000,000),

1 the amount described in this subdivision shall be paid to the  
2 property tax replacement fund established under IC 6-1.1-21.

3 (3) Five percent (5%) shall be paid to the historic hotel  
4 preservation commission established under IC 36-7-11.5.

5 (4) Ten percent (10%) shall be paid in equal amounts to each  
6 town that:

7 (A) is located in the county in which the riverboat docks; and

8 (B) contains a historic hotel.

9 The town council shall appropriate a part of the money received  
10 by the town under this subdivision to the budget of the town's  
11 tourism commission.

12 (5) Ten percent (10%) shall be paid to the county treasurer of the  
13 county in which the riverboat is docked. The county treasurer  
14 shall distribute the money received under this subdivision as  
15 follows:

16 (A) Twenty percent (20%) shall be quarterly distributed to the  
17 county treasurer of a county having a population of more than  
18 thirty-nine thousand six hundred (39,600) but less than forty  
19 thousand (40,000) for appropriation by the county fiscal body  
20 after receiving a recommendation from the county executive.  
21 The county fiscal body for the receiving county shall provide  
22 for the distribution of the money received under this clause to  
23 one (1) or more taxing units (as defined in IC 6-1.1-1-21) in  
24 the county under a formula established by the county fiscal  
25 body after receiving a recommendation from the county  
26 executive.

27 (B) Twenty percent (20%) shall be quarterly distributed to the  
28 county treasurer of a county having a population of more than  
29 ten thousand seven hundred (10,700) but less than twelve  
30 thousand (12,000) for appropriation by the county fiscal body  
31 after receiving a recommendation from the county executive.  
32 The county fiscal body for the receiving county shall provide  
33 for the distribution of the money received under this clause to  
34 one (1) or more taxing units (as defined in IC 6-1.1-1-21) in  
35 the county under a formula established by the county fiscal  
36 body after receiving a recommendation from the county  
37 executive.

(C) Sixty percent (60%) shall be retained by the county where the riverboat is docked for appropriation by the county fiscal body after receiving a recommendation from the county executive. The county fiscal body shall provide for the distribution of part or all of the money received under this clause to the following under a formula established by the county fiscal body:

(i) A town having a population of more than two thousand two hundred (2,200) but less than three thousand five hundred (3,500) located in a county having a population of more than nineteen thousand three hundred (19,300) but less than twenty thousand (20,000).

(ii) A town having a population of more than three thousand five hundred (3,500) located in a county having a population of more than nineteen thousand three hundred (19,300) but less than twenty thousand (20,000).

(c) For each city and county receiving money under subsection ~~(a)(2)(A) or (a)(2)(C); (a)(2)~~, the treasurer of state shall determine the total amount of money paid by the treasurer of state to the city or county during the state fiscal year 2002. The amount determined is the base year revenue for the city or county. The treasurer of state shall certify the base year revenue determined under this subsection to the city or county. The total amount of money distributed to a city or county under this section during a state fiscal year may not exceed the entity's base year revenue. For each state fiscal year beginning after June 30, 2002, the treasurer of state shall pay that part of the riverboat wagering taxes that:

- (1) exceeds a particular city or county's base year revenue; and
- (2) would otherwise be due to the city or county under this section;

to the property tax replacement fund instead of to the city or county.

(d) Each state fiscal year the treasurer of state shall transfer from the tax revenue remitted to the property tax replacement fund under ~~subsection (a)(3)~~ **subsections (a)(4) and (b)(1)** to the build Indiana fund an amount that when added to the following may not exceed two hundred fifty million dollars (\$250,000,000):

- (1) Surplus lottery revenues under IC 4-30-17-3.

(2) Surplus revenue from the charity gaming enforcement fund under IC 4-32-10-6.

(3) Tax revenue from pari-mutuel wagering under IC 4-31-9-3.

The treasurer of state shall make transfers on a monthly basis as needed to meet the obligations of the build Indiana fund. If in any state fiscal year insufficient money is transferred to the property tax replacement fund under ~~subsection (a)(3)~~ **subsections (a)(4) and (b)(1)** to comply with this subsection, the treasurer of state shall reduce the amount transferred to the build Indiana fund to the amount available in the property tax replacement fund from the transfers under ~~subsection (a)(3)~~ **subsections (a)(4) and (b)(1)** for the state fiscal year.

(e) Before August 15 of 2003 and each year thereafter, the treasurer of state shall distribute the wagering taxes set aside for revenue sharing under subsection (a)(1) to the county treasurer of each county that does not have a riverboat according to the ratio that the county's population bears to the total population of the counties that do not have a riverboat. Except as provided in subsection (h), the county auditor shall distribute the money received by the county under this subsection as follows:

(1) To each city located in the county according to the ratio the city's population bears to the total population of the county.

(2) To each town located in the county according to the ratio the town's population bears to the total population of the county.

(3) After the distributions required in subdivisions (1) and (2) are made, the remainder shall be retained by the county.

(f) Money received by a city, town, or county under subsection (e) or (h) may be used for any of the following purposes:

(1) To reduce the property tax levy of the city, town, or county for a particular year (a property tax reduction under this subdivision does not reduce the maximum levy of the city, town, or county under IC 6-1.1-18.5);

(2) For deposit in a special fund or allocation fund created under IC 8-22-3.5, IC 36-7-14, IC 36-7-14.5, IC 36-7-15.1, and IC 36-7-30 to provide funding for additional credits for property tax replacement in property tax increment allocation areas or debt repayment.

(3) To fund sewer and water projects, including storm water

management projects.

(4) For police and fire pensions.

(5) To carry out any governmental purpose for which the money is appropriated by the fiscal body of the city, town, or county. Money used under this subdivision does not reduce the property tax levy of the city, town, or county for a particular year or reduce the maximum levy of the city, town, or county under IC 6-1.1-18.5.

(g) This subsection does not apply to an entity receiving money under IC 4-33-12-6(c). Before September 15 of 2003 and each year thereafter, the treasurer of state shall determine the total amount of money distributed to an entity under IC 4-33-12-6 during the preceding state fiscal year. If the treasurer of state determines that the total amount of money distributed to an entity under IC 4-33-12-6 during the preceding state fiscal year was less than the entity's base year revenue (as determined under IC 4-33-12-6), the treasurer of state shall make a supplemental distribution to the entity from taxes collected under this chapter and deposited into the property tax replacement fund. The amount of the supplemental distribution is equal to the difference between the entity's base year revenue (as determined under IC 4-33-12-6) and the total amount of money distributed to the entity during the preceding state fiscal year under IC 4-33-12-6.

(h) This section applies only to a county containing a consolidated city. The county auditor shall distribute the money received by the county under subsection (d) as follows:

(1) To each city, other than a consolidated city, located in the county according to the ratio that the city's population bears to the total population of the county.

(2) To each town located in the county according to the ratio that the town's population bears to the total population of the county.

(3) After the distributions required in subdivisions (1) and (2) are made, the remainder shall be paid in equal amounts to the consolidated city and the county.

SECTION 3. IC 21-1-31 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]:

### **Chapter 31. Early Learning Program**

1       **Sec. 1.** As used in this chapter, "budget agency" refers to the  
2       budget agency established by IC 4-12-1-3.

3       **Sec. 2.** As used in this chapter, "eligible student" refers to an  
4       eligible student determined under section 9 of this chapter.

5       **Sec. 3.** As used in this chapter, "fund" refers to the early  
6       learning fund established by section 6 of this chapter.

7       **Sec. 4.** As used in this chapter, "school" means any school  
8       maintained by a school corporation.

9       **Sec. 5.** As used in this chapter, "school corporation" has the  
10      meaning set forth in IC 21-3-1.6-1.1.

11      **Sec. 6. (a)** The early learning fund is established for the  
12      purpose of making grants to school corporations to establish,  
13      continue, and expand full day kindergarten programs. The fund  
14      shall be administered by the budget agency.

15      **(b)** The treasurer of state shall invest money in the fund not  
16      currently needed to meet the obligations of the fund in the same  
17      manner as other public money may be invested. Interest that  
18      accrues from these investments shall be deposited in the fund.

19      **(c)** Money in the fund at the end of a state fiscal year does not  
20      revert to the state general fund.

21      **Sec. 7.** The budget agency shall establish a program to make  
22      grants to any school corporation that applies for a grant in the  
23      manner prescribed by the budget agency to establish, continue, or  
24      expand full day kindergarten programs in one (1) or more schools  
25      in the school corporation.

26      **Sec. 8.** Subject to section 10 of this chapter, the amount of a  
27      grant is equal to one thousand five hundred dollars (\$1,500) for  
28      each eligible student, as determined under section 9 of this  
29      chapter.

30      **Sec. 9.** The number of eligible students in a school corporation  
31      is equal to the number of students in the school corporation who  
32      are enrolled in full day kindergarten in the current school year,  
33      as determined in one (1) or more counts of students made under  
34      the rules adopted the budget agency. The department of education  
35      shall assist the budget agency as necessary to obtain the count

1       needed for this section.

2       **Sec. 10. (a) If in any school year, insufficient money is**  
 3       **appropriated for full day kindergarten grants to make grants for**  
 4       **all eligible students enrolled in all applicant school corporations,**  
 5       **money shall be awarded in the following order until the amount**  
 6       **appropriated for grants is exhausted:**

7               (1) The amounts determined under subsection (b).

8               (2) The amounts determined under subsection (c).

9               (3) The amounts determined under subsection (d).

10       (b) The budget agency shall first award grants from  
 11       appropriations made for full day kindergarten grants in the  
 12       amount determined under STEP FIVE of the following formula:

13               **STEP ONE:** For each school that received state funding for  
 14               full day kindergarten in the immediately previous school  
 15               year, determine the number of eligible students enrolled in  
 16               the current school year in the school.

17               **STEP TWO:** For each school described in STEP ONE, multiply  
 18               the number determined under STEP ONE by the amount of  
 19               the grant determined under section 8 of this chapter.

20               **STEP THREE:** Rank each school described in STEP ONE by  
 21               the percentage of the eligible students who are eligible for a  
 22               free or reduced school lunch program, with the school with  
 23               the highest percentage ranked first and the school with the  
 24               lowest percentage ranked last.

25               **STEP FOUR:** Beginning with the school ranked first under  
 26               STEP THREE and proceeding through the school ranked last  
 27               under STEP THREE, allocate the lesser of the following to  
 28               each school:

29                       (A) The amount determined for the school under STEP  
 30                       TWO.

31                       (B) The amount remaining from the amounts appropriated  
 32                       for full day kindergarten grants after allocating money to  
 33                       each school with a higher ranking under STEP THREE.

34               **STEP FIVE:** Distribute to each school corporation the sum of  
 35               the amounts allocated under STEP FOUR for each school in



1           the school corporation.

2           (c) If the amount appropriated for full day kindergarten grants  
3 has a balance after making all of the distributions required under  
4 subsection (b), grants shall be distributed in the amount  
5 determined under STEP FIVE of the following formula:

6           STEP ONE: For each Title I school that did not receive state  
7 funding for full day kindergarten in the immediately  
8 previous school year, determine the number of eligible  
9 students enrolled in the current school year.

10          STEP TWO: For each school described in STEP ONE, multiply  
11 the number determined under STEP ONE by the amount of  
12 the grant determined under section 8 of this chapter.

13          STEP THREE: Rank each school described in STEP ONE by  
14 the percentage of the eligible students who are eligible for a  
15 free or reduced school lunch program, with the school with  
16 the highest percentage ranked first and the school with the  
17 lowest percentage ranked last.

18          STEP FOUR: Beginning with the school ranked first under  
19 STEP THREE and proceeding through the school ranked last  
20 under STEP THREE, allocate the lesser of the following to  
21 each school:

22           (A) The amount determined for the school under STEP  
23 TWO.

24           (B) The amount remaining from amounts appropriated for  
25 full day kindergarten grants after allocating money to  
26 each school with a higher ranking under STEP THREE.

27          STEP FIVE: Distribute to each school corporation the sum of  
28 the amounts allocated under STEP FOUR for each school in  
29 the school corporation.

30          (d) If the amount appropriated for full day kindergarten grants  
31 has a balance after making all of the distributions required under  
32 subsections (b) and (c), grants shall be distributed in the amount  
33 determined under STEP FIVE of the following formula:

34          STEP ONE: For each school that is not described in  
35 subsection (b) or (c), determine the number of eligible

1 students enrolled in the current school year in the school.

2 **STEP TWO:** For each school described in STEP ONE, multiply  
3 the number determined under STEP ONE by the amount of  
4 the grant determined under section 8 of this chapter.

5 **STEP THREE:** Rank each school described in STEP ONE by  
6 the percentage of the eligible students who are eligible for a  
7 free or reduced school lunch program, with the school with  
8 the highest percentage ranked first and the school with the  
9 lowest percentage ranked last.

10 **STEP FOUR:** Beginning with the school ranked first under  
11 STEP THREE and proceeding through the school ranked last  
12 under STEP THREE, allocate the lesser of the following to  
13 each school:

14 (A) The amount determined for the school under STEP  
15 TWO.

16 (B) The amount remaining from amounts appropriated for  
17 full day kindergarten grants after allocating money to  
18 each school with a higher ranking under STEP THREE.

19 **STEP FIVE:** Distribute to each school corporation the sum of  
20 the amounts allocated under STEP FOUR for each school in  
21 the school corporation.

22 **Sec. 11.** Distributions of grant amounts under this chapter shall  
23 be made at the time and in the manner prescribed by the budget  
24 agency.

25 **Sec. 12.** Money distributed to a school corporation under this  
26 chapter may be used only for the purposes described in the grant  
27 application approved by the budget agency.

28 **Sec. 13.** As a condition of receiving a grant under this chapter,  
29 a school corporation may not charge a fee for any eligible student  
30 who is eligible for a free or reduced lunch program.

31 **SECTION 4.** IC 32-34-1-34, AS ADDED BY P.L.2-2002, SECTION  
32 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1,  
33 2004]: Sec. 34. (a) Except as provided in section 42(d) of this chapter,  
34 the treasurer of state shall, on order of the attorney general, pay the  
35 necessary costs of the following:

- 1 (1) Selling abandoned property.
- 2 (2) Mailing notices.
- 3 (3) Making publications required by this chapter.
- 4 (4) Paying other operating expenses and administrative expenses,
- 5 including:
  - 6 (A) salaries and wages reasonably incurred by the attorney
  - 7 general in the administration and enforcement of this chapter;
  - 8 and
  - 9 (B) costs incurred in examining records of the holders of
  - 10 property and in collecting the property from the holders.
- 11 (b) If the balance of the principal of the abandoned property fund
- 12 established by section 33 of this chapter exceeds five hundred thousand
- 13 dollars (\$500,000), the treasurer of state:
  - 14 **(1) shall, after June 30, 2005, transfer in each state fiscal**
  - 15 **year the lesser of:**
    - 16 **(A) the balance in the fund exceeding five hundred**
    - 17 **thousand dollars (\$500,000); or**
    - 18 **(B) twenty-five million dollars (\$25,000,000);**
  - 19 **from the abandoned property fund to the early learning fund**
  - 20 **established by IC 21-1-31-6 in quarterly installments; and**
  - 21 **(2) may, and at least once each state fiscal year, shall, transfer to**
  - 22 **the common school fund of the state the balance of the principal**
  - 23 **of the abandoned property fund that exceeds the sum of the**
  - 24 **amount transferred under subdivision (1) and five hundred**
  - 25 **thousand dollars (\$500,000).**
- 26 (c) If a claim is allowed or a refund is ordered under this chapter
- 27 that is more than five hundred thousand dollars (\$500,000), the
- 28 treasurer of state shall transfer from the state general fund sufficient
- 29 money to make prompt payment of the claim. There is annually
- 30 appropriated to the treasurer of state from the state general fund the
- 31 amount of money sufficient to implement this subsection.
- 32 (d) Before making a deposit into the abandoned property fund, the
- 33 attorney general shall record the following:
  - 34 (1) The name and last known address of each person appearing
  - 35 from the holder's reports to be entitled to the abandoned property.
  - 36 (2) The name and last known address of each insured person or
  - 37 annuitant.

1 (3) The number, the name of the corporation, and the amount due  
2 concerning any policy or contract listed in the report of a life  
3 insurance company.

4 (e) Except as provided in subsection (f), earnings on the property  
5 custody fund and the abandoned property fund shall be credited to each  
6 fund.

7 (f) On July 1 of each year, the interest balance in the property  
8 custody fund established by section 32 of this chapter and the interest  
9 balance in the abandoned property fund shall be transferred to the state  
10 general fund.

11 **SECTION 5. [EFFECTIVE UPON PASSAGE] (a) The definitions**  
12 **in IC 21-1-31, as added by this act, apply throughout this**  
13 **SECTION.**

14 **(b) The appropriation of eight million five hundred thousand**  
15 **dollars (\$8,500,000) made to the department of education for total**  
16 **operating expense for full day kindergarten by P.L.224-2003,**  
17 **SECTION 9, for the state fiscal year beginning July 1, 2004, and**  
18 **ending June 30, 2005, is canceled.**

19 **(c) There is appropriated:**

20 **(1) to the early learning fund from the state general fund**  
21 **eight million five hundred thousand dollars (\$8,500,000); and**

22 **(2) from the early learning fund an additional forty-two**  
23 **million dollars (\$42,000,000);**

24 **for use by the budget agency to make grants for full day**  
25 **kindergarten under IC 21-1-31, as added by this act, during the**  
26 **state fiscal year beginning July 1, 2004, and ending June 30, 2005.**

27 **(d) A school corporation that is awarded a grant must provide**  
28 **to the budget agency a financial report stating how the funds were**  
29 **spent. Any unspent funds on July 1, 2005, must be returned to the**  
30 **state by the school corporation.**

31 **(e) The budget agency may adopt temporary rules in the**  
32 **manner provided for the adoption of emergency rules under**  
33 **IC 4-22-2-37.1 to implement this SECTION and IC 21-1-31, as**  
34 **added by this act. A temporary rule adopted under this subsection**  
35 **expires on the earliest of the following:**

36 **(1) The date that another temporary rule adopted under this**

1           **subsection supersedes the prior temporary rule.**

2           **(2) The date that permanent rules adopted under IC 4-22-2**  
 3           **supersede the temporary rule.**

4           **(3) July 1, 2005.**

5           **(f) This SECTION expires July 1, 2005.**

6           SECTION 6. P.L.224-2003, SECTION 115 IS AMENDED TO  
 7           READ AS FOLLOWS [EFFECTIVE JUNE 1, 2004]: (a)  
 8           Notwithstanding IC 32-34-1-34 **and subject to subsection (c)**, the  
 9           treasurer of state shall transfer on:

10           (1) June 30, 2003;

11           (2) June 30, 2004; and

12           (3) June 30, 2005;

13           any balance (excluding amounts needed to fund appropriations to the  
 14           attorney general for personal services and other operating expenses for  
 15           the unclaimed property program) in the abandoned property fund that  
 16           exceeds five hundred thousand dollars (\$500,000) to the state general  
 17           fund.

18           (b) After June 30, 2002, and before July 1, 2005, the treasurer of  
 19           state may not transfer any amount in the abandoned property fund to  
 20           the common school fund. If any money was transferred before June  
 21           30, 2003, in a manner that is inconsistent with this subsection, the  
 22           treasurer of state shall take the necessary action to restore the money  
 23           to the abandoned property fund and transfer the money as required  
 24           under subsection (a) **and (c).**

25           **(c) On June 30, 2004, before making the distribution required**  
 26           **under subsection (a), twenty five million dollars (\$25,000,000)**  
 27           **shall be transferred to the early learning fund.**

28           **(d) This SECTION expires July 1, 2004.**

29           **SECTION 7. An emergency is declared for this act."**

30           Renumber all SECTIONS consecutively.

(Reference is to ESB 47 as printed February 17, 2004.)

**and when so amended that said bill do pass.**

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Representative Crawford